

MAINE STATE LEGISLATURE

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STATE OF MAINE
116TH LEGISLATURE

SECOND REGULAR SESSION

BILL SUMMARIES
JOINT STANDING COMMITTEE
ON
BANKING AND INSURANCE

MAY 1994

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**ONE HUNDRED AND SIXTEENTH LEGISLATURE
SECOND REGULAR SESSION**

**JOINT STANDING COMMITTEE
BILL SUMMARIES**

MAY 1994

This document is a compilation of the bill summaries prepared by this office for the Joint Standing Committees and Joint Select Committees of the Maine Legislature. The volume is organized alphabetically by committee; within each committee, the summaries are arranged by LD number. A subject index is provided at the beginning of each committee's summaries.

The committee report or reports, the prime sponsor for each bill and the lead co-sponsor in each house if one has been designated are listed below each bill title. All adopted amendments are listed, by paper number, together with the sponsor for floor amendments. Final action on each bill is listed to the right of the title. Various types of final action are abbreviated as follows:

PUBLIC XXX

P&S XXX

RESOLVE XXX

CON RES XXX

EMERGENCY

ONTP

INDEF PP

FAILED ENACTMENT

FAILED EMERGENCY ENACTMENT

FAILED MANDATE ENACTMENT

DIED BETWEEN BODIES

CONF CMTE UNABLE TO AGREE

VETO SUSTAINED

UNSIGNED

DIED ON ADJOURNMENT

Chapter # of enacted Public Law

Chapter # of enacted Private & Special Law

Chapter # of enacted Resolve

Chapter # of Constitutional Resolution passed by both Houses

Enacted law takes effect sooner than 90 days

Ought Not to Pass report accepted

Bill Indefinitely Postponed

Bill failed to get majority vote

Emergency bill failed to get 2/3 vote

Bill imposing local mandate failed to get 2/3 vote

House & Senate disagree; bill died

Committee of Conference unable to agree; bill died

Legislature failed to override Governor's Veto

Not signed by Governor within 10 days

Action incomplete when session ended; bill died

These summaries were prepared by the analyst or analysts assigned to the committee. If you have any suggestions or comments on the summaries, please let us know.

5581LHS

This amendment preserves the energy efficiency improvement program for municipal and school buildings while adding references to indoor air quality and allowing access to the program to municipalities and school administrative districts that do not utilize the loan program. It adds to the energy efficiency language consideration of the healthful quality of the air. This amendment requires public school projects to bear the stamp of a Maine registered professional engineer or architect and requires compliance with the requirements of the Maine Revised Statutes, Title 20-A, section 15903, subsection 3. It forbids vendors and interested parties from making donations or contributions to the Energy Payment Equalization Fund. This amendment requires a report on the program to the Joint Standing Committee on State and Local Government on or before December 1, 1996. It deletes section 3 of the bill concerning a market incentive program to promote the sale of low-emission motor vehicle. This amendment also adds an allocation section and a fiscal note.

LD 1491 An Act Concerning Preferred Provider Arrangements ONTP

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
DAGGETT	ONTP	

SUMMARY

This bill repeals the Preferred Provider Arrangement Act of 1986 and enacts a replacement act which is intended to address certain issues of preferred providers in the substance abuse field. It addresses the ability of nonpreferred providers to continue to provide health care services if other key services are provided by other preferred providers. It also addresses a number of procedural aspects having to do with notice to providers and provider opportunity to respond. It also requires the filing of lists of possible preferred providers with the Superintendent of Insurance. It increases the filing fee from \$20 to \$2,500 reflecting the great amount of processing work necessary.

The bill provides that no preferred provider arrangement may be approved by the Superintendent of Insurance when an arrangement requires exceeding existing credentials or licensing statutes or regulations; requires in-service training in excess of statutory or regulatory requirements; has the effect of causing losses of service or revenues to key current providers; or exceeds the requirements of any existing statutory or regulatory provisions having to do with the operation of agencies or the exercise of licensure by individual providers.

The bill contains a retroactivity clause requiring the superintendent to reopen proceedings in which preferred providers had been approved under the Preferred Provider Arrangement Act of 1986.

**LD 1521 An Act Related to Multiple-employer Welfare Arrangements PUBLIC 688
EMERGENCY**

SPONSOR(S)	COMMITTEE REPORT	AMENDMENTS ADOPTED
CARLETON	OTP-AM	H-917

SUMMARY

The purpose of this bill is to promote access to group health care benefits while avoiding some program costs associated with the purchase of health insurance policies. The bill establishes procedures under which employers may form multiple-employer welfare arrangements to provide health care benefits for employees and their dependents.

Eligibility standards are set to qualify trade associations, industry associations, political subdivisions, religious organizations and professional associations to ensure actuarially viable plans.

No capital funds are required to establish an arrangement. Joint liability of participating employers is required to ensure that benefits will be paid through assessments if necessary. If the trust created by the employers is not appropriately funded, the filing of a security deposit with the Secretary of State or the posting of a bond is required. No premium taxes are assessed on such plans. Annual reporting to the Superintendent of Insurance is required and records of the arrangement are to be kept in the State. The superintendent may suspend or revoke the authority of arrangements that are operated in an unsound fashion. Penalties are provided for arrangements that operate without authority.

COMMITTEE AMENDMENT "A" (H-917) requires multiple-employer welfare arrangements to issue only health care benefit plans that meet the requirements for small group health plans of the Maine Revised Statutes, Title 24-A, section 2808-B on rating practices, guaranteed renewal and coverage for late enrollees. They must comply with the continuity requirements of Title 24-A, chapter 36. They may not deny coverage on the basis of health status or claims experience. They must provide in any health care benefit plan issued the health care benefits required in the standard and basic plans of the Bureau of Insurance Rule Chapter 750. The amendment also adds an emergency provision and a fiscal note to the bill.

**LD 1569 An Act to Amend the Maine Banking Code to Clarify the
Definition of Limited-time and Seasonal Branches and
to Provide a Definition of In-school Branches**

PUBLIC 492

SPONSOR(S)
ERWIN

COMMITTEE REPORT
OTP-AM

AMENDMENTS ADOPTED
H-725

SUMMARY

This bill makes several changes to the Maine Banking Code to clarify the establishment of limited-time branches, which are those that may be operated for specific hours or days during the week; such branches are usually operated in areas of high tourist traffic that have substantial seasonal changes in population. The bill defines in-school branches and clarifies the law regarding the establishment of in-school branches, which primarily serve as an educational tool and are limited both in scope of services offered and the community to be served.

COMMITTEE AMENDMENT "A" (H-725) adds credit unions to the organizations that may open limited-time and seasonal branches under the Maine Revised Statutes, Title 9-B, section 333. Currently credit unions are allowed to do so by cross-reference from Title 9-B, section 826. It reorganizes Title 9-B, section 333, subsection 3 to improve the grammar. It shortens the distance requirement for mobile branches from 10-road miles to 5-road miles. It deletes an out-of-date sentence in the statute on mobile branches. This amendment also makes necessary style and grammar changes.

LD 1583 An Act to Clarify Automobile Insurance Laws

ONTP

SPONSOR(S)
DAGGETT

COMMITTEE REPORT
ONTP

AMENDMENTS ADOPTED

SUMMARY

This bill requires that automobile drivers whose only violation of state law is failure to obtain insurance or operation of a motor vehicle without insurance be eligible for insurance in the ordinary market and not through the assigned risk pool.